

## HOUSE OF ASSEMBLY

TUESDAY 13<sup>TH</sup> OCTOBER 2015

### WATER INDUSTRY (THIRD PARTY ACCESS) AMENDMENT BILL

*Second Reading*

Adjourned debate on second reading (resumed on motion).

**Mr PEDERICK ( Hammond ) ( 16:55 ):** I rise to speak to the Water Industry (Third Party Access) Amendment Bill, which was part of a requirement of the National Water Act several years ago to allow third-party access to monopoly suppliers. The aim of this legislation is to provide that regime for third-party access to water and sewerage infrastructure in this state, but essentially the main operator we need to get access to is SA Water infrastructure, which is a vertically-integrated monopoly provider of potable water and sewerage services for this state, and that includes a lot of country and a lot of industry.

I would just like to make comment that there have been so many opportunities over the years for better ways to use water, for better ways to access water and for better ways to create potable water. I commend all the previous speakers for their contributions; and, as the member for Chaffey rightly put, the River Murray is the keystone in this debate, and certainly his electorate, my electorate and the electorates of the members for Stuart and Schubert—pretty well every electorate in this state—are connected in some way to the River Murray. Whether it is direct supply, whether it is just-in-time supply, whether it is through allocation or whether it is piped 700 or 800 kilometres to Ceduna, where about 20 per cent of its potable water use comes from water from the River Murray.

I think that we should have learnt so many more lessons in what has happened with the millennium drought which lasted around 10 years but which really bit in those years between 2006 and September of 2010 when it was such a relief to see that murky Darling water flow down past Murray Bridge and out through to the mouth, because we were in dire straits—we were in more than dire straits, I can assure members.

Apart from being the member at the bottom of the river, for many years I was the shadow minister for the River Murray during that time and there was a whole range of proposals put up about what should be done to work with water on the river, what should we put in place, what should not be put in place, what should not be done but, in the end, some common sense prevailed (although there are a few wild ideas out there).

We saw the river drop about two metres, which created a lot of slumping. We saw a lot of infrastructure south of Lock 1 (which is most of my electorate, or all of my electorate), and it was more than a worry, it was disgraceful that it was allowed to get to this when we have seen so many manufactured water channels in the further upstream states. That being said, I do not want to bash them too hard. I want to think about what more could have been done by the government even though major reforms have been made in the last 40 or so years, particularly in the Riverland with upgrades to infrastructure. Whether it is

sprinklers in the first instance, then drippers, closed systems and converting channels into pipes, we are the leaders in this country. We can show a lot of states and a lot of countries, quite frankly, how best to utilise water to get the most out of it.

Certainly, there is a whole range of things that were getting thrown out into the ether during the drought, and one was about keeping water for Adelaide. If we did not have Adelaide at the end of the River Murray, I think most of my electorate would have been sold out. Unless you have a million people hanging on the end of a pipe, I do not think we would have had the forbearance of some people in regard to what did and did not happen in the end. There were certainly ministers and people in departments planning to build things like the Wellington weir—lock 0, it is called. This structure was to be built from of a lot of stone. There is no shortage of limestone in my electorate, and it would have cleaned up a load of stones. A lot of contractors would have made a lot of money.

Contractors were coming to me and saying, 'Adrian, I've got to apologise, I put my name down as a potential contractor.' I said, 'You've got to make a dollar. If you weren't doing it someone else would.' This would have been a sinking structure that was going to cost hundreds of millions of dollars from the time it was first put in, and then it would have to be topped up. What I found most interesting was that property owners on either side of the proposed structure were at the stage of being compulsorily acquired by government and had to enter into confidential agreements to allow access to the river. They did sign those agreements, and roads were constructed and gates were put in, but thankfully the weir did not go ahead.

Mr Goldsworthy interjecting:

**Mr PEDERICK:** Yes, we did. It might have been Nalpa station and the McFarlane property on the other side. This would have been a disaster for about \$500 million of producing country and would have just written off everything below Wellington. It was certainly the desire of some ministers and some people in departments to put this in place with no thought for those people—no thought at all. It was just a panicked response to keep water supplies for Adelaide. In fact, my property at Coomandook is on the Keith just-in-time pipeline, and it even got to the level of discussions, because I had one meeting with the former minister, and they were going to put in a desalination plant at Tailem Bend. I was even asked by some of the authority people, some departmental people, 'What do we do with the salt?' I said, 'It's not my problem; it's your problem. If you've got to the stage that you need to desalinate water at Tailem Bend, that is your issue.'

It got very close; in fact, I know that bottled water was being stockpiled for emergency supply. Thankfully, we managed to just get through that, and the madness of the Wellington weir did not happen. We saw the Langhorne Creek and Currency Creek producers get on track and put in a pipeline, and because of a barrier potentially being built at Wellington they put the outtake at Jervois for a bulk unfiltered water supply to take water through to the 7,000-plus hectares of vineyards at the end of that pipe around Langhorne Creek and Currency Creek. That is the only way that those people kept going. It cost a lot of money, whether it was high security that they paid for through that pipeline or lower

security water, they put in a system which went in very rapidly, and I commend everyone involved in that work.

Also, I look at the issue around the Lower Lakes, around Lake Albert, where some people, dairy farmers, are paying \$5,000 a week to truck water to their dairies just to keep going. That is just a ridiculous amount of money. Below Lock 1, where we once had about 130 dairies, there are about 20-odd now. As the member for Chaffey indicated earlier, there is the potential, with the full use of water and land around Lake Albert, to produce over \$40 million and now it is down to about \$3 million of output. It has had a massive impact on the local community and on the school, and that flows right through the community to sporting clubs—netball clubs, football clubs, cricket clubs, etc.

Almost at death's door, the federal government came on board with over \$100 million that was administered through the state government. I am sure the state Labor government did quite well out of it. They put in an emergency pipeline down around Meningie so people could have potable water. The contractors did a fantastic job. They had teams of rock saws going and teams of men. I have to take my hat off to those contractors. Once they got the bureaucracy out of the way—and that was the biggest hold-up—they got that pipe in the ground as quickly as they could. They even put in hook-up points for communities that did not want to hook up, like Wellington East. There is a point there so that they can hook into that pipe in the future, so they were future proofing some of these other areas if need be.

That work was put in, but now we find that the water is too expensive for these people who are used to having allocations drawn off the River Murray. They have to pay, I think, \$3.32 a kilolitre at the moment for water through the pipe. It is making them unviable, and it is not just dairy farmers. There are beef farmers in that area who are just finding it ridiculous. Out of every seven cattle they sell, they have to sell one beast to pay for water for the rest, and that is hardly profitable because you have all the other costs—feed, management—

**An honourable member:** Levies!

**Mr PEDERICK:** Yes—levies. You have to hand it to farmers. When they are put under the pump, they come up with innovative ways to beat the system. Certainly, in recent years some private pipelines have gone in, and this exemplifies the madness where there is not a fair access scheme, and I do not think even this gives fair access. It is a step in the right direction but it is so weighted towards SA Water that it is not funny.

People are putting in their own pipelines and they are basically paying for them within two years. Two farmers—one is a dairy farmer and the other is a beef farmer—spent a couple of hundred thousand dollars on putting a pipeline straight into Lake Albert and they have access to the lake directly with a pump shed. They paid for that within a couple of years out of what they would have paid in SA Water fees.

The community around Meningie has said, 'Let's get on that.' Certainly people were pressuring me before the election: 'What's going to happen? Are we going to be able to access the SA Water pipeline after the election?' I said, 'Well, there

are a couple of caveats—we've got to win.' Sadly, we did not do that. I said that we do not know the state of the books to know how cheaply we can put water through that pipeline.

To me, it looks like you are still a fair way ahead if you can access water out of Lake Albert for about 15¢ a kilolitre and pump it to your farm. There are third-party schemes. Clare Valley has just instigated one, and I know the BIL scheme has been there for a long time with untreated water. Clare Valley is different—that is treated water. I think they have managed to reduce the price by a dollar a kilolitre, which is a lot of money, but it is still a fair way ahead of what people are able to do with these private schemes.

Some of the private schemes to put in water that are being proposed are about \$1 million. Essentially, because of the greed of SA Water and the state Labor government, they are not going to make a cracker out of any of this water that comes out of these private pipes. They are going to be run up the other side of the road, basically in the same line as the SA Water pipes, so we have a duplication of infrastructure.

**An honourable member:** Madness!

**Mr PEDERICK:** It is madness and it is crazy, but that is the way it is. They are doing it and they are getting on with it, and it is not just those sorts of things that are going in for people to save their hide, save their business and keep them operating locally. Certainly, I commend the Coorong Local Action Planning group and Coorong council for some of the field days they have had on how to access cheaper water.

People are revitalising bores. As you get closer to the sea, between Coomandook and Meningie, it is too salty. It is too salty on my place at Coomandook, but people are revitalising those bores, getting them going again and doing a bit of desal or accessing wells and shandyng it with potable water. There are also some schemes where people are digging a dam on a gradient, lining it with plastic and catching rainwater, but those sort of schemes cost at least \$100,000 each.

People are spending lots of money, up to seven figures, in light of the fact that they can get a better deal than if they used it out of the pipe. I know the member for Chaffey talked about what is happening down there and about the Lake Albert connector because here we are, five years since the drought finished, and we still have water that is well over 2,000 EC units in Lake Albert. That would not be acceptable if you were in Adelaide, but that is what it is. If the Lake Albert connector went in, that would clean it up and give better water for everyone in that region.

It is not as if the Meningie and Coorong region is taking enough belting. We have the recent issue of the New Zealand or long-nosed fur seals, and they are a serious issue—another side effect not just on the environment and on the Ngarrindjeri totems but on the fishing industry, which I believe will be wiped out before this government does anything. I think there are people within government who would be quite happy to see an MSC accredited fishery wiped out, and that is a disgrace when there are people on their knees—and I had a

meeting last Wednesday night—and there are fishermen on suicide watch who do not know where to look because there is no real management of these seals.

They have talked about underwater firecrackers and noise emitters. The firecrackers will not happen until November and then they will only be operated by DEWNR staff who are contractors. Whether they will be anywhere near a fisherman is another thing. This is a community that is struggling and they continue to struggle, and I hope we do not see dire consequences before something happens. People are being looked after and looked out for, and there was a reason that a doctor spoke on suicide and depression for an hour last Wednesday night.

Certainly, in regard to water that is being put back into the system, I believe infrastructure upgrades are the best way to do that and, as was mentioned earlier, 2,750 is the main game. All the way along it has been a bit of a pipe dream of the Premier's for 3,200 gigalitres. He is a late player in the field in thinking he is going to save the River Murray. Buying water is the cheap and nasty option. Yes, it is good to buy a little bit of water, but I believe hundreds and probably well over a thousand gigalitres of water could still be obtained through infrastructure upgrades in the northern basin.

Many of us have been up through that way; I know the member for Chaffey and I have. Some people do not think it is that simple. They think, 'We will just do the quick and dirty option and buy water,' and it all sounds good and fuzzy. That is great. You can destroy communities. I am all about supporting communities. I do not support open channels and that sort of thing. I support putting it into pipes or covering those wider channels like the Mulwala Channel at Deniliquin which would be pretty difficult to put into pipes; if you did, it would cost a fortune—in the billions, as I believe it is 160 kilometres long. There have been plenty of opportunities for more reform in infrastructure in the Eastern States. I know the Wimmera in Victoria has put many hundreds of kilometres into pipe, which has saved many gigalitres of water, and we need to push for these things to happen.

What I will say in my closing few seconds is that this bill is a step in the right direction, but it is a long, long way off—it is about 10 per cent there. People will keep creating their own ways to access water, to gain water, to catch more rainwater and get on with the job. At the end of the day, when it is too late, the government will realise they are losing out on much valuable money into Treasury coffers because they have not allowed the proper access regime so that people can function, be viable and basically live their lives well here in this state.